



# PROPOSED RULE MAKING

**CR-102 (June 2004)**

(Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

**Agency:** Department of Labor and Industries

- ☒ **Preproposal Statement of Inquiry was filed as WSR 04-13-130 ; or**  
☐ **Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or**  
☐ **Proposal is exempt under RCW 34.05.310(4).**

- ☒ **Original Notice**  
☐ **Supplemental Notice to WSR \_\_\_\_\_**  
☐ **Continuance of WSR \_\_\_\_\_**

**Title of rule and other identifying information:** Chapter 296-17-WAC General Reporting Rules, Classifications, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance. (2005 Workers' Compensation Premium Rates)

This rule proposal will amend WAC 296-17-89502, Industrial Insurance Rates for Nonhourly Rated Classifications and WAC 296-17-920, Assessment for Supplemental Pension Fund. These WAC sections were inadvertently left out of the rule proposal filed September 9, 2004 as WSR # 04-19-033 which proposed to amend the 2005 Worker's Compensation Premium Rates.

An overall 3.7 percent general increase in the premium rates is proposed. The 3.7 percent general rate increase is necessary to maintain the solvency of the state fund.

**Hearing location(s):**

See Attachment for hearing locations, dates and times.

Date: \_\_\_\_\_ Time: \_\_\_\_\_

**Submit written comments to:**

Name: Department of Labor and Industries

Kathy Kimbel

Program Manager for Employer Services

Address: P O Box 44140

Olympia, WA 98504-4140 or

e-mail [LANZ235@LNI.WA.GOV](mailto:LANZ235@LNI.WA.GOV)

fax (360)902-4729 by November 15, 2004, 12 noon

**Assistance for persons with disabilities:** Contact

Office of Information and Assistance by November 12, 2004

TTY (360) 902-5797

**Date of intended adoption:** November 23, 2004

(Note: This is **NOT** the effective date)

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:**

This rule proposal will amend WAC 296-17-89502 Industrial Insurance Rates for Nonhourly Rated Classifications and WAC 296-17-920 Assessment for Supplemental Pension Fund.

**Reasons supporting proposal:** Insurance base rates and experience rating tables are being modified to reflect changes in loss data associated with the classification and rating plan from the previous 2004 rating period. Washington law provides that rates should be adjusted annually to reflect the hazards of each industry and in accordance with the rating plan. Similarly the rating plan is revised to recognize changes within the industry groups.

**Statutory authority for adoption:** RCW 51.16.035 (Base Rates), RCW 51.32.073 (Supplemental Pension), RCW 51.18.010 (Retrospective Rating), and RCW 51.04.020(1) (General Authority)

**Statute being implemented:** RCW 51.16.035, RCW 51.32.073, RCW 51.18.010, and RCW 51.04.020(1)

**Is rule necessary because of a:**

Federal Law?

☐ Yes ☒ No

Federal Court Decision?

☐ Yes ☒ No

State Court Decision?

☐ Yes ☒ No

If yes, CITATION:

**CODE REVISER USE ONLY**

**WSR#04-19-056**

**DATE**

September 14, 2004

**NAME** (type or print)

Paul Trause

**SIGNATURE**

**TITLE**

Director

(COMPLETE REVERSE SIDE)

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

This rule proposal will amend WAC 296-17-89502 Industrial Insurance Rates for Nonhourly Rated Classifications and WAC 296-17-920 Assessment for Supplemental Pension Fund in order to establish 2005 premium rates and experience rating parameters for calendar year 2005.

**Name of proponent: (person or organization)**

Department of Labor and Industries

- ☐ Private  
☐ Public  
☒ Governmental

**Name of agency personnel responsible for:**

Name	Office Location	Phone
Drafting..... Tammy Turner	Tumwater, WA	(360) 902-4777
Implementation.... Kathy Kimbel	Tumwater, WA	(360) 902-4739
Enforcement..... Robert Malooly	Tumwater, WA	(360) 902-4209

**Has a small business economic impact statement been prepared under chapter 19.85 RCW?**

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

☒ No. Explain why no statement was prepared.

The Regulatory Fairness Act (RFA), chapter 19.85 RCW requires the agency to prepare a Small Business Economic Impact Statement (SBEIS) if the proposed rule will have a disproportionate impact on the state's small businesses because of the size of those businesses. In this case the agency is exempt from conducting a SBEIS when the proposed rules set or adjust fees or rates pursuant to legislative standards RCW 34.05.310(4)(f).

**Is a cost-benefit analysis required under RCW 34.05.328?**

☐ Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

☒ No: Please explain: The Administrative Procedures Act (APA), chapter 34.05 RCW requires the agency to prepare a Cost/Benefit Analysis (CBA) prior to adopting a "significant legislative rule". The CBA determines whether the probable benefits of the rule are greater than its probable costs. This takes into account both the qualitative and quantitative benefits and costs and the specific directives of the statute being implemented. In this case, the agency is exempt from conducting a CBA when the proposed rules set or adjust fees or rates pursuant to legislative standards RCW 34.05.328(5)(b)(vi).

## **Attachment Hearing Locations**

### **CR 102 RULE-MAKING ORDER (RCW 34.05.320)**

### **Chapter 296-17-WAC General Reporting Rules, Classifications, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance**

#### **Hearing Locations:**

*All Hearings begin at 3:00 PM*

#### **November 3, 2004**

Westcoast Ridpath  
Inland Empire Room  
515 W Sprague  
**Spokane, WA**  
(509) 838-2711

#### **November 4, 2004**

Red Lion Hotel Yakima Center  
607 East Yakima Ave  
**Yakima, WA**  
(509) 248-5900

#### **November 5, 2004**

Best Western Cottonree Inn  
Fidalgo Room  
2401 Riverside Dr.  
**Mount Vernon, WA**  
(360) 428-5678

#### **November 8, 2004**

Department of Labor & Industries  
Tumwater Office – Auditorium  
**Tumwater, WA**

#### **November 9, 2004**

Department of Labor & Industries  
Tukwila Office  
12806 Gateway Dr  
**Tukwila, WA**

#### **November 10, 2004**

King Oscar Convention Center  
8820 Hosmer  
**Tacoma WA**  
(253) 539-1153

#### **November 12, 2004**

Red Lion at the Quay  
100 Columbia Street  
**Vancouver, WA**  
(360) 694-8341